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FOREIGN SERVICE DESPATCH

AMEMBASSY, GUATEMALA

595
DESP. NO.

THE DEPARTMENT OF STATE, WASHINGTON.

January 9, 1953
DATE

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Joint Weeka No. 2 for State, Army and Air Departments 1-16-53
from SAA - Section I

SIFICATION DATE 1/30/78

OFFICE ARA

FOI CASE NO. 740332

SUMMARY

Date of Action 1-16

Initials of Officer Vinsalette

Name of Officer [illegible]

In the first Cabinet meeting of the new year, President ARBENZ and his ministers characterized Agrarian Reform as Guatemala's "basic problem" and undertook to make budgetary and administrative reforms which would improve the government in the new year. The President signed the papers expropriating the first private farms under the Agrarian Reform Law and put the Department of National Farms in the hands of a Liquidation Commission which promptly uncovered and publicized irregularities, political favoritisms and malpractices which had characterized its administration of the properties expropriated from Germans in the last war.

Electioneering for the January 16-18 Congressional elections monopolized the attention of the political parties. The candidacy of Sr. José Manuel FORTUNY, Secretary General of the Communist Partido Guatemalteco de Trabajo and one of the two avowed Communist candidates, continued to receive the full support of administration parties and the official press. The administration's "Democratic Electoral Alliance" has candidates in all twenty constituencies, while the anti-Communists are entered in only fourteen, few of which they have any real chance of capturing.

DOMESTIC AFFAIRS

According to an official release, President Arbenz and his ministers in a Cabinet meeting on January 7, the first of the new year, decided that the Agrarian Reform was the country's "basic problem" for the coming year and its implementation would be the concern of all the ministries. They also considered means to tighten up the forthcoming 1953-54 budget, resolved on a "complete administrative reform" aimed at paring down the costly bureaucracy, pledged themselves to

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shun partisan politics in favor of national service and promised to take "all necessary measures" to support private initiative. The President was quoted as telling the ministers that the policy of "National Unity" was correct, not for personal interests but for the interests of the nation and the Revolution.

The tone of the Cabinet meeting again showed the harmony existing between the regime and the local Communist leadership, which in its last month's Party Congress called for national unity under the title of the "Patriotic Front" and for more rapid implementation of the Agrarian Reform Law (Weeka 51).

On the previous day, President Arbenz had signed the papers expropriating four private farms which will soon be distributed under the Agrarian Reform Law. The announcement said that compensation in the form of Agrarian Reform Bonds had previously been deposited in the Treasury at the orders of the ex-owners. The Communist-dominated labor unions have been agitating for immediate distribution of private land for the past few weeks (Weeka 1).

In another step in carrying out Agrarian Reform, the Ministry of Finance on December 30 transferred the functions of the National Farms Department to a Liquidation Commission which will administer its remaining assets pending distribution of the land under the Agrarian Reform Law. The Liquidation Commission is headed by Colonel Anselmo GETELLA Amézquita, head of the President's military staff, who informed the press of irregularities found in the Department. The Department had been headed by Sr. Mariano AREVALO, brother of the ex-President (see Section II).

Meanwhile, the "Democratic Electoral Front", which includes the principal Administration parties and the Communists, spent the week advancing the campaigns of its candidates for the January 16-18 Congressional elections. Particular emphasis was placed on the candidacy of Sr. José Manuel Fortuny, the country's highest ranking Communist, who received daily front-page coverage in the official Diario de Centro América. The parties in the electoral front have entered candidates in all twenty Departments in which Congressional seats are at issue while the opposition has entered candidates in only fourteen.

MILITARY

Showing the Armed Forces' increased emphasis on improved training and Agrarian Reform, the Army Public Relations Office on January 5 announced a new basic training schedule which

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will include (a) 396 hours devoted to military matters; (b) 168 hours to reading and writing; (c) 99 hours to physical training; and (d) 60 hours to agricultural and livestock matters. These activities will be carried out in addition to regular garrison duties and the Army's contribution to building the Atlantic Highway.

R E Schoenfeld

Rudolf E. Schoenfeld

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